



# Journal of the House

State of Indiana

113th General Assembly

Second Regular Session

Second Meeting Day

Thursday Morning

November 20, 2003

The House convened at 10:00 a.m. with the Speaker in the Chair.

The invocation was offered by Reverend Mark Suter Church, First United Methodist Church, Martinsville, the guest of Representative Ralph M. Foley.

The Pledge of Allegiance to the Flag was led by Representative Foley.

The Speaker ordered the roll of the House to be called:

|           |             |
|-----------|-------------|
| T. Adams  | Kromkowski  |
| Aguilera  | Kruse       |
| Alderman  | Kuzman      |
| Austin    | LaPlante    |
| Avery     | L. Lawson   |
| Ayres     | Lehe        |
| Bardon    | Leonard     |
| Becker    | Liggett     |
| Behning   | J. Lutz     |
| Bischoff  | Lytle       |
| Borror    | Mahern      |
| Bosma     | Mangus ...  |
| Bottorff  | Mays        |
| C. Brown  | McClain     |
| T. Brown  | Messer      |
| Buck      | Moses       |
| Budak     | Murphy      |
| Buell     | Neese ...   |
| Burton    | Noe         |
| Cheney    | Orentlicher |
| Cherry    | Oxley       |
| Chowning  | Pelath      |
| Cochran   | Pflum       |
| Crawford  | Pierce      |
| Crooks    | Pond        |
| Day       | Porter      |
| Denbo     | Reske       |
| Dickinson | Richardson  |
| Dobis     | Ripley      |
| Duncan    | Robertson   |
| Dvorak    | Ruppel ...  |
| Espich    | Saunders    |
| Foley     | Scholer     |
| Frenz     | V. Smith    |
| Friend    | Stevenson   |
| Frizzell  | Stilwell    |
| Fry       | Stutzman    |
| GiaQuinta | Summers     |
| Goodin    | Thomas      |
| Grubb     | Thompson    |
| Gutwein   | Torr        |
| Harris    | Turner      |
| Hasler    | Ulmer       |
| Heim      | Weinzapfel  |
| Herrell   | Welch       |
| Hinkle    | Whetstone   |
| Hoffman   | Wolkins     |
| Kersey    | D. Young    |
| Klinker   | Yount       |
| Koch      | Mr. Speaker |

Roll Call 2: 97 present; 3 excused. The Speaker announced a quorum in attendance. [NOTE: ... indicates those who were excused.]

## RESOLUTIONS ON FIRST READING

### House Concurrent Resolution 1

Representatives Burton, Foley, Frizzell, and Yount introduced House Concurrent Resolution 1:

A CONCURRENT RESOLUTION recognizing Genny Worsham.

*Whereas, The primary function of the clerk-treasurer, a four-year elected official, is to serve as the fiscal officer of the city of Greenwood, Indiana;*

*Whereas, Genny Worsham has served the citizens of Greenwood, Indiana, loyally as clerk-treasurer for 16 years;*

*Whereas, Genny Worsham has been active in the Greenwood Republican Party for many years;*

*Whereas, Genny has served her community in many roles, including Republican city chairwoman, precinct committeeman, tireless campaign worker, and fundraiser extraordinaire;*

*Whereas, In addition to her efforts for the Republican Party, Genny and her late husband, Russell, owned a grocery store in Greenwood for many years;*

*Whereas, Before beginning her career as clerk-treasurer for the city of Greenwood, Genny worked for Eli Lilly and Co.;*

*Whereas, Genny Worsham is also a member of the Staff of Flags for Greenwood, an organization that supplies the city of Greenwood with flags; and*

*Whereas, Genny Worsham is the backbone of the Republican organization in Greenwood. Her retirement creates a void impossible to fill: Therefore,*

*Be it resolved by the House of Representatives of the General Assembly of the State of Indiana, the Senate concurring:*

SECTION 1. That the Indiana General Assembly thanks Genny Worsham on behalf of the grateful citizens of Greenwood, Indiana, for her dedication and loyalty to the mission of the office of clerk-treasurer and for her years of service to the Republican Party. The people of Indiana want to extend their best wishes to her and hope for her continued success in the future.

SECTION 2. That the Principal Clerk of the House of Representatives shall transmit a copy of this resolution to Genny Worsham and Charles E. Henderson, mayor of Greenwood.

The resolution was read a first time and adopted by voice vote. The Clerk was directed to inform the Senate of the passage of the resolution. Senate sponsors: Senators Garton, Borst, Miller, Bray, and M. Young.

The House recessed until the fall of the gavel.

## RECESS

The House reconvened at 11:30 a.m. with the Speaker in the Chair.

Representatives Mangus and Neese, who had been excused, were present; Representative D. Young was excused for the rest of the day.

## HOUSE MOTION

Mr. Speaker: I move that when we do adjourn, we adjourn until Friday, November 21, 2003 at 10:00 a.m.

WEINZAPFEL

Motion prevailed.

## HOUSE BILLS ON SECOND READING

## House Bill 1001

Representative Crawford called down House Bill 1001 for second reading. The bill was read a second time by title.

HOUSE MOTION  
(Amendment 1001-2)

Mr. Speaker: I move that House Bill 1001 be amended to read as follows:

Page 3, line 10, delete "IC 6-1.1-22.5-20." and insert "**IC 6-1.1-4-37(i).**"

Page 3, line 12, delete "IC 6-1.1-4-33." and insert "IC 6-1.1-4-33, **IC 6-1.1-4-36(j), or IC 6-1.1-22.5-20.**"

Page 4, line 3, after "IC 22-13-2-8(c)," insert "**and except as provided in subsection (j),**"

Page 4, line 6, after "(a)(14)," insert "**(a)(25), or (a)(26),**"

Page 4, line 9, after "periods." insert "**A rule adopted under subsection (a)(25) or (a)(26) may be extended for an unlimited number of extension periods.**"

Page 4, between lines 21 and 22, begin a new paragraph and insert: "**(j) A rule described in subsection (a)(26) expires not later than January 1, 2006.**"

Page 6, between lines 5 and 6, begin a new paragraph and insert: "SECTION 7. IC 6-1.1-4-34, AS ADDED BY P.L.235-2003, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 8, 2003 (RETROACTIVE)]: Sec. 34. (a) As used in this section, "special master" refers to a person designated by the Indiana board under subsection (e).

(b) The notice of reassessment under section 32(f) of this chapter is subject to appeal by the taxpayer to the Indiana board. The procedures and time limitations that apply to an appeal to the Indiana board of a determination of the department of local government finance do not apply to an appeal under this subsection. The Indiana board may establish applicable procedures and time limitations under subsection (l).

(c) In order to appeal under subsection (b), the taxpayer must:

- (1) request and participate as required in the informal hearing process under section 33 of this chapter not later than forty-five (45) days after the date of the notice of reassessment under section 32(f) of this chapter;
- (2) except as provided in section 33(i) of this chapter, receive a notice of changed reassessment under section 33(g) of this chapter; and
- (3) file a petition for review with the appropriate county assessor not later than thirty (30) days after the notice of the department of local government finance is given to the taxpayer under section ~~32(f)~~ **32(g)** of this chapter.

(d) The Indiana board may develop a form for petitions under subsection (c) that:

- (1) outlines:
  - (A) the appeal process;
  - (B) the burden of proof; and
  - (C) evidence necessary to warrant a change to a reassessment; and
- (2) describes:
  - (A) the increase in the property tax replacement credit; and
  - (B) other changes to the property tax system;
 under P.L.192-2002(ss) that reduced the effect of general reassessment on property tax liability.

(e) The Indiana board may contract with, appoint, or otherwise designate the following to serve as special masters to conduct evidentiary hearings and prepare reports required under subsection (g):

- (1) Independent, licensed appraisers.
- (2) Attorneys.

(3) Certified level two Indiana assessor-appraisers (including administrative law judges employed by the Indiana board).

(4) Other qualified individuals.

(f) Each contract entered into under subsection (e) must specify the appointee's compensation and entitlement to reimbursement for expenses. The compensation and reimbursement for expenses are paid from the county property reassessment fund. Payments under this subsection from the county property reassessment fund may not exceed five hundred thousand dollars (\$500,000).

(g) With respect to each petition for review filed under subsection (c), the special masters shall:

- (1) set a hearing date;
- (2) give notice of the hearing at least thirty (30) days before the hearing date, by mail, to:

- (A) the taxpayer;
- (B) the department of local government finance;
- (C) the township assessor; and
- (D) the county assessor;

(3) conduct a hearing and hear all evidence submitted under this section; and

(4) make evidentiary findings and file a report with the Indiana board.

(h) At the hearing under subsection (g):

- (1) the taxpayer shall present:
  - (A) its evidence that the reassessment is incorrect;
  - (B) the method by which the taxpayer contends the reassessment is correctly determined; and
  - (C) comparable sales, appraisals, or other pertinent information concerning valuation as required by the Indiana board; and
- (2) the department of local government finance shall present its evidence that the reassessment is correct.

(i) The Indiana board may dismiss a petition for review filed under subsection (c) if the evidence and other information required under subsection (h)(1) is not provided at the hearing under subsection (g).

(j) The township assessor and the county assessor may attend and participate in the hearing under subsection (g).

(k) The Indiana board may:

- (1) consider the report of the special masters under subsection (g)(4);
- (2) make a final determination based on the findings of the special masters without:
  - (A) conducting a hearing; or
  - (B) any further proceedings; and
- (3) incorporate the findings of the special masters into the board's findings in resolution of the appeal.

(l) The Indiana board may adopt emergency rules under IC 4-22-2-37.1 to:

- (1) establish procedures to expedite:
  - (A) the conduct of hearings under subsection (g); and
  - (B) the issuance of determinations of appeals under subsection (b); and
- (2) establish deadlines:
  - (A) for conducting hearings under subsection (g); and
  - (B) for issuing determinations of appeals under subsection (b).

(m) A determination by the Indiana board of an appeal under subsection (b) is subject to appeal to the tax court under IC 6-1.1-15.

(n) This section expires December 31, 2005."

Page 17, delete lines 14 through 21, begin a new paragraph and insert:

**"(b) The value of federal income tax credits may not be considered in determining the true tax value of the property."**

Page 19, delete lines 14 through 21, begin a new line blocked left and insert:

**"The value of federal income tax credits may not be considered in determining the true tax value of the property."**

Page 48, reset in bold lines 26 through 28.

Page 76, between lines 32 and 33, begin a new paragraph and insert:

"SECTION 61. IC 6-3-1-3.5, AS AMENDED BY P.L.105-2003, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 3.5. When used in this

article, the term "adjusted gross income" shall mean the following:

(a) In the case of all individuals, "adjusted gross income" (as defined in Section 62 of the Internal Revenue Code), modified as follows:

- (1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.
- (2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 62 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.
- (3) Subtract one thousand dollars (\$1,000), or in the case of a joint return filed by a husband and wife, subtract for each spouse one thousand dollars (\$1,000).
- (4) Subtract one thousand dollars (\$1,000) for:
  - (A) each of the exemptions provided by Section 151(c) of the Internal Revenue Code;
  - (B) each additional amount allowable under Section 63(f) of the Internal Revenue Code; and
  - (C) the spouse of the taxpayer if a separate return is made by the taxpayer and if the spouse, for the calendar year in which the taxable year of the taxpayer begins, has no gross income and is not the dependent of another taxpayer.
- (5) Subtract:
  - (A) one thousand five hundred dollars (\$1,500) for each of the exemptions allowed under Section 151(c)(1)(B) of the Internal Revenue Code for taxable years beginning after December 31, 1996; and
  - (B) five hundred dollars (\$500) for each additional amount allowable under Section 63(f)(1) of the Internal Revenue Code if the adjusted gross income of the taxpayer, or the taxpayer and the taxpayer's spouse in the case of a joint return, is less than forty thousand dollars (\$40,000).

This amount is in addition to the amount subtracted under subdivision (4).
- (6) Subtract an amount equal to the lesser of:
  - (A) that part of the individual's adjusted gross income (as defined in Section 62 of the Internal Revenue Code) for that taxable year that is subject to a tax that is imposed by a political subdivision of another state and that is imposed on or measured by income; or
  - (B) two thousand dollars (\$2,000).
- (7) Add an amount equal to the total capital gain portion of a lump sum distribution (as defined in Section 402(e)(4)(D) of the Internal Revenue Code) if the lump sum distribution is received by the individual during the taxable year and if the capital gain portion of the distribution is taxed in the manner provided in Section 402 of the Internal Revenue Code.
- (8) Subtract any amounts included in federal adjusted gross income under Section 111 of the Internal Revenue Code as a recovery of items previously deducted as an itemized deduction from adjusted gross income.
- (9) Subtract any amounts included in federal adjusted gross income under the Internal Revenue Code which amounts were received by the individual as supplemental railroad retirement annuities under 45 U.S.C. 231 and which are not deductible under subdivision (1).
- (10) Add an amount equal to the deduction allowed under Section 221 of the Internal Revenue Code for married couples filing joint returns if the taxable year began before January 1, 1987.
- (11) Add an amount equal to the interest excluded from federal gross income by the individual for the taxable year under Section 128 of the Internal Revenue Code if the taxable year began before January 1, 1985.
- (12) Subtract an amount equal to the amount of federal Social Security and Railroad Retirement benefits included in a taxpayer's federal gross income by Section 86 of the Internal Revenue Code.
- (13) In the case of a nonresident taxpayer or a resident taxpayer residing in Indiana for a period of less than the taxpayer's entire taxable year, the total amount of the deductions allowed pursuant to subdivisions (3), (4), (5), and (6) shall be reduced to an amount which bears the same ratio to the total as the

taxpayer's income taxable in Indiana bears to the taxpayer's total income.

- (14) In the case of an individual who is a recipient of assistance under IC 12-10-6-1, ~~IC 12-10-6-2~~, **IC 12-10-6-2.1**, IC 12-15-2-2, or IC 12-15-7, subtract an amount equal to that portion of the individual's adjusted gross income with respect to which the individual is not allowed under federal law to retain an amount to pay state and local income taxes.
- (15) In the case of an eligible individual, subtract the amount of a Holocaust victim's settlement payment included in the individual's federal adjusted gross income.
- (16) For taxable years beginning after December 31, 1999, subtract an amount equal to the portion of any premiums paid during the taxable year by the taxpayer for a qualified long term care policy (as defined in IC 12-15-39.6-5) for the taxpayer or the taxpayer's spouse, or both.
- (17) Subtract an amount equal to the lesser of:
  - (A) **for a taxable year:**
    - (i) **including any part of 2004, the amount determined under subsection (f); and**
    - (ii) **beginning after December 31, 2004,** two thousand five hundred dollars (\$2,500); or
  - (B) the amount of property taxes that are paid during the taxable year in Indiana by the individual on the individual's principal place of residence.
- (18) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the individual's federal adjusted gross income.
- (19) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k)(2)(C)(iii) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.
- (b) In the case of corporations, the same as "taxable income" (as defined in Section 63 of the Internal Revenue Code) adjusted as follows:
  - (1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.
  - (2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 170 of the Internal Revenue Code.
  - (3) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 63 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.
  - (4) Subtract an amount equal to the amount included in the corporation's taxable income under Section 78 of the Internal Revenue Code.
  - (5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k)(2)(C)(iii) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.
- (c) In the case of life insurance companies (as defined in Section 816(a) of the Internal Revenue Code) that are organized under Indiana law, the same as "life insurance company taxable income" (as defined in Section 801 of the Internal Revenue Code), adjusted as follows:
  - (1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.
  - (2) Add an amount equal to any deduction allowed or allowable under Section 170 of the Internal Revenue Code.
  - (3) Add an amount equal to a deduction allowed or allowable under Section 805 or Section 831(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state.
  - (4) Subtract an amount equal to the amount included in the

company's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k)(2)(C)(iii) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(d) In the case of insurance companies subject to tax under Section 831 of the Internal Revenue Code and organized under Indiana law, the same as "taxable income" (as defined in Section 832 of the Internal Revenue Code), adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction allowed or allowable under Section 170 of the Internal Revenue Code.

(3) Add an amount equal to a deduction allowed or allowable under Section 805 or Section 831(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state.

(4) Subtract an amount equal to the amount included in the company's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k)(2)(C)(iii) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(e) In the case of trusts and estates, "taxable income" (as defined for trusts and estates in Section 641(b) of the Internal Revenue Code) adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the federal adjusted gross income of the estate of a victim of the September 11 terrorist attack or a trust to the extent the trust benefits a victim of the September 11 terrorist attack.

(3) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k)(2)(C)(iii) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

**(f) This subsection applies only to the extent that an individual paid property taxes in 2004 that were imposed for the March 1, 2002, assessment date or the January 15, 2003, assessment date. The maximum amount of the deduction under subsection (a)(17) is equal to the amount determined under STEP FIVE of the following formula:**

**STEP ONE: Determine the amount of property taxes that the taxpayer paid after December 31, 2003, in the taxable year for property taxes imposed for the March 1, 2002, assessment date and the January 15, 2003, assessment date.**

**STEP TWO: Determine the amount of property taxes that the taxpayer paid in the taxable year for the March 1, 2003, assessment date and the January 15, 2004, assessment date.**

**STEP THREE: Determine the result of the STEP ONE amount divided by the STEP TWO amount.**

**STEP FOUR: Multiply the STEP THREE amount by two thousand five hundred dollars (\$2,500).**

**STEP FIVE: Determine the sum of the STEP THREE amount and two thousand five hundred dollars (\$2,500)."**

Page 101, line 39, delete "a" and insert "as".

Page 107, line 4, after "(2)" insert "subject to subsection (c), before December 15, 2003,".

Page 107, between lines 8 and 9, begin a new paragraph and insert: **"(c) Notwithstanding IC 6-1.1-20.9-2 or any other law, for purposes of this SECTION, an individual is not required to have been the owner or contract purchaser of the property on March 1, 2003, to meet the eligibility criteria for the homestead credit or other benefit under this SECTION. An individual who is the owner or contract purchaser on the date that the individual files a claim for a benefit under this SECTION meets the ownership criteria for the benefit."**

Page 107, line 9, delete "(c)" and insert "(d)".

Page 107, line 9, delete "(d)" and insert "(e)".

Page 107, line 14, delete "(d)" and insert "(e)".

Page 107, line 16, delete "(e)" and insert "(f)".

Page 107, line 19, delete "(c)" and insert "(d)".

Page 107, line 20, delete "(f)" and insert "(g)".

Page 107, line 32, delete "(j)" and insert "(k)".

Page 107, line 37, delete "(g)" and insert "(h)".

Page 107, line 38, delete "(f)(2)(A)" and insert "(g)(2)(A)".

Page 108, line 2, delete "(f)(2)(A)" and insert "(g)(2)(A)".

Page 108, line 3, delete "(h)" and insert "(i)".

Page 108, line 5, delete "(f)(2)(B)" and insert "(g)(2)(B)".

Page 108, line 14, delete "(i)" and insert "(j)".

Page 108, line 17, delete "(j)" and insert "(k)".

Page 111, between lines 6 and 7, begin a new paragraph and insert: **"SECTION 92. [EFFECTIVE JULY 1, 2004] IC 6-3-1-3.5, as amended by this act, applies only to taxable years after December 31, 2003.**

**SECTION 93. The provisions of this act are severable in the manner provided by IC 1-1-1-8(b)."**

Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed November 18, 2003.)

CRAWFORD

Motion prevailed.

#### HOUSE MOTION (Amendment 1001-1)

Mr. Speaker: I move that House Bill 1001 be amended to read as follows:

Page 20, between lines 27 and 28, begin a new paragraph and insert:

**"SECTION 18. IC 6-1.1-11-3, AS AMENDED BY P.L.264-2003, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) Subject to subsections (e) and (f), an owner of tangible property who wishes to obtain an exemption from property taxation shall file a certified application in duplicate with the county assessor of the county in which the property that is the subject of the exemption is located. Except as provided in section 5.5 of this chapter, the application must be filed annually on or before May 15 on forms prescribed by the department of local government finance. Except as provided in sections 1, 3.5, and 4 of this chapter, the application applies only for the taxes imposed for the year for which the application is filed.**

**(b) The authority for signing an exemption application may not be delegated by the owner of the property to any other person except by an executed power of attorney.**

**(c) An exemption application which is required under this chapter shall contain the following information:**

**(1) A description of the property claimed to be exempt in sufficient detail to afford identification.**

**(2) A statement showing the ownership, possession, and use of the property.**

**(3) The grounds for claiming the exemption.**

**(4) The full name and address of the applicant.**

**(5) For the year that ends on the assessment date of the property, identification of:**

**(A) each part of the property used or occupied; and**

**(B) each part of the property not used or occupied; for one (1) or more exempt purposes under IC 6-1.1-10 during the time the property is used or occupied.**

**(6) Any additional information which the department of local government finance may require.**

**(d) A person who signs an exemption application shall attest in writing and under penalties of perjury that, to the best of the person's**

knowledge and belief, a predominant part of the property claimed to be exempt is not being used or occupied in connection with a trade or business that is not substantially related to the exercise or performance of the organization's exempt purpose.

(e) An owner must file with an application for exemption of real property under subsection (a) or section 5 of this chapter a copy of the township assessor's record kept under IC 6-1.1-4-25(a) that shows the calculation of the assessed value of the real property for the assessment date for which the exemption is claimed. Upon receipt of the exemption application, the county assessor shall examine that record and determine if the real property for which the exemption is claimed is properly assessed. If the county assessor determines that the real property is not properly assessed, the county assessor shall direct the township assessor of the township in which the real property is located to:

- (1) properly assess the real property; and
- (2) notify the county assessor and county auditor of the proper assessment.

(f) If the county assessor determines that the applicant has not filed with an application for exemption a copy of the record referred to in subsection (e), the county assessor shall notify the applicant in writing of that requirement. The applicant then has thirty (30) days after the date of the notice to comply with that requirement. The county property tax assessment board of appeals shall deny an application described in this subsection if the applicant does not comply with that requirement within the time permitted under this subsection.

SECTION 19. IC 6-1.1-11-5.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 5.5. (a) The assessor of the county in which property is located shall, before June 16 of each year, mail a notice to the owner of the property if:**

- (1) the owner has not applied for a tax exemption for that year; and
- (2) a tax exemption for the property was in effect for the immediately preceding year based on an application filed by the previous owner.

**(b) The notice under subsection (a) must:**

- (1) inform the owner:
  - (A) that the tax exemption is not transferrable from the previous owner; and
  - (B) that the owner may file for exemption under subsection (c); and
- (2) identify the property by key number, if any, and a street address, if any, or other common description of the property other than a legal description.

**(c) A property owner that receives a notice under subsection (a) may file an application for exemption under section 3 of this chapter for the year in which the notice is mailed not later than fifteen (15) days after the date the notice is mailed."**

Page 111, between lines 6 and 7, begin a new paragraph and insert: "SECTION 92. [EFFECTIVE UPON PASSAGE] (a) A religious institution may file an application under IC 6-1.1-11 before May 11, 2004, for exemption of one (1) or more parcels of real property for property taxes first due and payable in 2002 if:

- (1) the religious institution did not file an application under IC 6-1.1-11 for exemption of the real property with respect to property taxes first due and payable in 2002;
- (2) the religious institution acquired the real property in 2000; and
- (3) the real property was exempt from property taxes for property taxes first due and payable in 2001.

**(b) If a religious institution files an exemption application under subsection (a):**

**(1) the exemption application is subject to review and action by:**

- (A) the county property tax assessment board of appeals; and
- (B) the department of local government finance; and
- (2) the exemption determination made under subdivision (1) is subject to appeal;

**in the same manner that would have applied if an application for exemption had been timely filed in 2001.**

**(c) If an exemption application filed under subsection (a) is**

**approved, the religious institution may file a claim under IC 6-1.1-26-1 with the county auditor for a refund for the payment of property taxes first due and payable in 2002 with respect to the exempt property.**

**(d) Upon receiving a claim for a refund filed under subsection (c), the county auditor shall determine whether the claim is correct. If the county auditor determines that the claim is correct, the auditor shall, without an appropriation being required, issue a warrant to the claimant payable from the county general fund for the amount of the refund due the claimant. No interest is payable on the refund.**

**(e) This SECTION expires January 1, 2005."**

Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed November 18, 2003.)

AVERY

Motion prevailed.

#### HOUSE MOTION (Amendment 1001-12)

Mr. Speaker: I move that House Bill 1001 be amended to read as follows:

Replace the effective date in SECTION 34 with "[EFFECTIVE JULY 1, 2004]".

Page 40, line 40, after "means:", begin a new line block indented and insert:

**"(1) for purposes of determining the maximum ad valorem property tax levy for the ensuing years 2005 and 2006, the civil taxing unit's ad valorem property tax levy for the calendar year immediately preceding the ensuing calendar year, as that levy was determined by the department of local government finance in fixing the civil taxing unit's budget, levy, and rate for that preceding calendar year under IC 6-1.1-17; and**

**(2) for the purpose of determining the maximum ad valorem property tax levy for an ensuing year after 2006,".**

Page 40, line 40, reset in roman "the greater of:".

Page 40, line 41, beginning with "(1)" begin a new line double block indented.

Page 40, line 41, after "(1)" insert "(A)".

Page 40, line 41, reset in roman "the civil taxing unit's maximum permissible ad valorem".

Page 40, reset in roman line 42.

Page 41, reset in roman lines 1 through 2.

Page 41, delete lines 3 through 9.

Page 41, line 10, beginning with "(2)", begin a new line double block indented.

Page 41, line 10, strike "(2)".

Page 41, line 10, delete "for purposes of determining the maximum ad valorem" and insert "(B)".

Page 41, line 11, delete "property tax levy for an ensuing calendar year after 2004,".

Page 41, between lines 16 and 17, begin a new line blocked left and insert:

**"However, for purposes of the determining the maximum ad valorem property tax levy for the ensuing year 2007, the subdivision (2)(A) amount is the civil taxing unit's maximum permissible ad valorem levy for 2004."**

Page 42, line 12, delete "year 2004" and insert "years 2005 and 2006."

Page 42, delete lines 13 through 15.

Page 42, line 17, delete "2004." and insert "2006."

Page 47, delete lines 19 through 42.

Delete page 48.

Page 49, delete line 1.

Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed November 18, 2003.)

WEINZAPFEL

Motion failed.

#### HOUSE MOTION (Amendment 1001-5)

Mr. Speaker: I move that House Bill 1001 be amended to read as follows:

Page 21, line 26, strike "six" and insert "**twelve**".

Page 21, line 26, after "thousand" insert "**four hundred eighty**".

Page 21, line 26, strike "(\$6,000)." and insert "**(\$12,480).**".

Page 21, line 34, strike "six" and insert "**twelve**".

Page 21, line 34, after "thousand" insert "**four hundred eighty**".

Page 21, line 34, strike "(\$6,000)." and insert "**(\$12,480).**".

Page 22, between lines 24 and 25, begin a new paragraph and insert:

"SECTION 19. IC 6-1.1-12-11, AS AMENDED BY P.L.291-2001, SECTION 133, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) Except as provided in section 40.5 of this chapter, an individual may have the sum of ~~six~~ **twelve** thousand ~~four hundred eighty~~ **four hundred eighty** dollars (~~\$6,000~~) (**\$12,480**) deducted from the assessed value of real property, mobile home not assessed as real property, or manufactured home not assessed as real property that the individual owns, or that the individual is buying under a contract that provides that the individual is to pay property taxes on the real property, mobile home, or manufactured home, if the contract or a memorandum of the contract is recorded in the county recorder's office, and if:

- (1) the individual is blind or the individual is a disabled person;
- (2) the real property, mobile home, or manufactured home is principally used and occupied by the individual as the individual's residence; and
- (3) the individual's taxable gross income for the calendar year preceding the year in which the deduction is claimed did not exceed seventeen thousand dollars (\$17,000).

(b) For purposes of this section, taxable gross income does not include income which is not taxed under the federal income tax laws.

(c) For purposes of this section, "blind" has the same meaning as the definition contained in IC 12-7-2-21(1).

(d) For purposes of this section, "disabled person" means a person unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment which:

- (1) can be expected to result in death; or
- (2) has lasted or can be expected to last for a continuous period of not less than twelve (12) months.

(e) Disabled persons filing claims under this section shall submit proof of disability in such form and manner as the department shall by rule prescribe. Proof that a claimant is eligible to receive disability benefits under the federal Social Security Act (42 U.S.C. 301 et seq.) shall constitute proof of disability for purposes of this section.

(f) A disabled person not covered under the federal Social Security Act shall be examined by a physician and the individual's status as a disabled person determined by using the same standards as used by the Social Security Administration. The costs of this examination shall be borne by the claimant.

(g) An individual who has sold real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property, mobile home, or manufactured home may not claim the deduction provided under this section against that real property, mobile home, or manufactured home.

SECTION 20. IC 6-1.1-12-13, AS AMENDED BY P.L.291-2001, SECTION 135, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) Except as provided in section 40.5 of this chapter, an individual may have ~~twelve~~ **twenty-four** thousand ~~nine hundred sixty~~ **nine hundred sixty** dollars (~~\$12,000~~) (**\$24,960**) deducted from the assessed value of the taxable tangible property that the individual owns, or real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property that the individual is buying under a contract that provides that the individual is to pay property taxes on the real property, mobile home, or manufactured home, if the contract or a memorandum of the contract is recorded in the county recorder's office and if:

- (1) the individual served in the military or naval forces of the United States during any of its wars;
- (2) the individual received an honorable discharge;
- (3) the individual is disabled with a service connected disability of ten percent (10%) or more; and
- (4) the individual's disability is evidenced by:

(A) a pension certificate, an award of compensation, or a disability compensation check issued by the United States Department of Veterans Affairs; or

(B) a certificate of eligibility issued to the individual by the Indiana department of veterans' affairs after the Indiana department of veterans' affairs has determined that the individual's disability qualifies the individual to receive a deduction under this section.

(b) The surviving spouse of an individual may receive the deduction provided by this section if the individual would qualify for the deduction if the individual were alive.

(c) One who receives the deduction provided by this section may not receive the deduction provided by section 16 of this chapter. However, the individual may receive any other property tax deduction which the individual is entitled to by law.

(d) An individual who has sold real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property, mobile home, or manufactured home may not claim the deduction provided under this section against that real property, mobile home, or manufactured home.

SECTION 21. IC 6-1.1-12-14, AS AMENDED BY P.L.272-2003, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. (a) Except as provided in subsection (c) and except as provided in section 40.5 of this chapter, an individual may have the sum of ~~six~~ **twelve** thousand ~~four hundred eighty~~ **four hundred eighty** dollars (~~\$6,000~~) (**\$12,480**) deducted from the assessed value of the tangible property that the individual owns (or the real property, mobile home not assessed as real property, or manufactured home not assessed as real property that the individual is buying under a contract that provides that the individual is to pay property taxes on the real property, mobile home, or manufactured home if the contract or a memorandum of the contract is recorded in the county recorder's office) if:

- (1) the individual served in the military or naval forces of the United States for at least ninety (90) days;
- (2) the individual received an honorable discharge;
- (3) the individual either:
  - (A) is totally disabled; or
  - (B) is at least sixty-two (62) years old and has a disability of at least ten percent (10%); and
- (4) the individual's disability is evidenced by:

(A) a pension certificate or an award of compensation issued by the United States Department of Veterans Affairs; or  
 (B) a certificate of eligibility issued to the individual by the Indiana department of veterans' affairs after the Indiana department of veterans' affairs has determined that the individual's disability qualifies the individual to receive a deduction under this section.

(b) Except as provided in subsection (c), the surviving spouse of an individual may receive the deduction provided by this section if the individual would qualify for the deduction if the individual were alive.

(c) No one is entitled to the deduction provided by this section if the assessed value of the individual's tangible property, as shown by the tax duplicate, exceeds one hundred thirteen thousand dollars (\$113,000).

(d) An individual who has sold real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property, mobile home, or manufactured home may not claim the deduction provided under this section against that real property, mobile home, or manufactured home.

SECTION 22. IC 6-1.1-12-16, AS AMENDED BY P.L.291-2001, SECTION 138, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 16. (a) Except as provided in section 40.5 of this chapter, a surviving spouse may have the sum of ~~nine~~ **eighteen** thousand ~~seven hundred twenty~~ **seven hundred twenty** dollars (~~\$9,000~~) (**\$18,720**) deducted from the assessed value of his or her tangible property, or real property, mobile home not assessed as real property, or manufactured home not assessed as real property that the surviving

spouse is buying under a contract that provides that he is to pay property taxes on the real property, mobile home, or manufactured home, if the contract or a memorandum of the contract is recorded in the county recorder's office, and if:

- (1) the deceased spouse served in the military or naval forces of the United States before November 12, 1918; and
- (2) the deceased spouse received an honorable discharge.

(b) A surviving spouse who receives the deduction provided by this section may not receive the deduction provided by section 13 of this chapter. However, he or she may receive any other deduction which he or she is entitled to by law.

(c) An individual who has sold real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property, mobile home, or manufactured home may not claim the deduction provided under this section against that real property, mobile home, or manufactured home.

SECTION 23. IC 6-1.1-12-17.4, AS AMENDED BY P.L.272-2003, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17.4. (a) Except as provided in section 40.5 of this chapter, a World War I veteran who is a resident of Indiana is entitled to have the sum of ~~nine~~ **eighteen thousand seven hundred twenty** dollars (~~\$9,000~~) (**\$18,720**) deducted from the assessed valuation of the real property (including a mobile home that is assessed as real property), mobile home that is not assessed as real property, or manufactured home that is not assessed as real property the veteran owns or is buying under a contract that requires the veteran to pay property taxes on the real property, if the contract or a memorandum of the contract is recorded in the county recorder's office, if:

- (1) the real property, mobile home, or manufactured home is the veteran's principal residence;
- (2) the assessed valuation of the real property, mobile home, or manufactured home does not exceed one hundred sixty-three thousand dollars (\$163,000); and
- (3) the veteran owns the real property, mobile home, or manufactured home for at least one (1) year before claiming the deduction.

(b) An individual may not be denied the deduction provided by this section because the individual is absent from the individual's principal residence while in a nursing home or hospital.

(c) For purposes of this section, if real property, a mobile home, or a manufactured home is owned by a husband and wife as tenants by the entirety, only one (1) deduction may be allowed under this section. However, the deduction provided in this section applies if either spouse satisfies the requirements prescribed in subsection (a).

(d) An individual who has sold real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property, mobile home, or manufactured home may not claim the deduction provided under this section with respect to that real property, mobile home, or manufactured home.

SECTION 24. IC 6-1.1-12-18, AS AMENDED BY P.L.90-2002, SECTION 110, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 18. (a) If the assessed value of residential real property described in subsection (d) is increased because it has been rehabilitated, the owner may have deducted from the assessed value of the property an amount not to exceed the lesser of:

- (1) the total increase in assessed value resulting from the rehabilitation; or
- (2) ~~nine~~ **eighteen thousand seven hundred twenty** dollars (~~\$9,000~~) (**\$18,720**) per rehabilitated dwelling unit.

The owner is entitled to this deduction annually for a five (5) year period.

(b) For purposes of this section, the term "rehabilitation" means significant repairs, replacements, or improvements to an existing structure which are intended to increase the livability, utility, safety, or value of the property under rules adopted by the department of local government finance.

(c) For the purposes of this section, the term "owner" or "property

owner" includes any person who has the legal obligation, or has otherwise assumed the obligation, to pay the real property taxes on the rehabilitated property.

(d) The deduction provided by this section applies only for the rehabilitation of residential real property which is located within this state and which is described in one (1) of the following classifications:

- (1) a single family dwelling if before rehabilitation the assessed value (excluding any exemptions or deductions) of the improvements does not exceed ~~eighteen thousand three hundred~~ **four hundred forty** dollars (~~\$18,000~~) (**\$37,440**);
- (2) a two (2) family dwelling if before rehabilitation the assessed value (excluding exemptions or deductions) of the improvements does not exceed ~~twenty-four thousand~~ **nine hundred twenty** dollars (~~\$24,000~~) (**\$49,920**); and
- (3) a dwelling with more than two (2) family units if before rehabilitation the assessed value (excluding any exemptions or deductions) of the improvements does not exceed ~~nine thousand~~ **seven hundred twenty** dollars (~~\$9,000~~) (**\$18,720**) per dwelling unit."

Page 23, between lines 21 and 22, begin a new paragraph and insert:

"SECTION 20. IC 6-1.1-12-22, AS AMENDED BY P.L.90-2002, SECTION 112, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 22. (a) If the assessed value of property is increased because it has been rehabilitated and the owner has paid at least ten thousand dollars (\$10,000) for the rehabilitation, the owner is entitled to have deducted from the assessed value of the property an amount equal to fifty percent (50%) of the increase in assessed value resulting from the rehabilitation. The owner is entitled to this deduction annually for a five (5) year period. However, the maximum deduction which a property owner may receive under this section for a particular year is:

- (1) ~~sixty one hundred twenty-four thousand eight hundred~~ **sixty one hundred twenty-four thousand eight hundred** dollars (~~\$60,000~~) (**\$124,800**) for a single family dwelling unit; or
- (2) three hundred thousand dollars (\$300,000) for any other type of property.

(b) For purposes of this section, the term "property" means a building or structure which was erected at least fifty (50) years before the date of application for the deduction provided by this section. The term "property" does not include land.

(c) For purposes of this section, the term "rehabilitation" means significant repairs, replacements, or improvements to an existing structure that are intended to increase the livability, utility, safety, or value of the property under rules adopted by the department of local government finance."

Page 28, between lines 18 and 19, begin a new paragraph and insert:

"SECTION 24. IC 6-1.1-12.1-4.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4.1. (a) Section 4 of this chapter applies to economic revitalization areas that are not residentially distressed areas.

(b) This subsection applies to economic revitalization areas that are residentially distressed areas. The amount of the deduction that a property owner is entitled to receive under section 3 of this chapter for a particular year equals the lesser of:

- (1) the assessed value of the improvement to the property after the rehabilitation or redevelopment has occurred; or
- (2) the following amount:

| TYPE OF DWELLING                              | AMOUNT                               |
|---|--------------------------------------|
| One (1) family dwelling . . . . .             | <del>\$36,000</del> <b>\$74,880</b>  |
| Two (2) family dwelling . . . . .             | <del>\$51,000</del> <b>\$106,080</b> |
| Three (3) unit multifamily dwelling . . . . . | <del>\$75,000</del> <b>\$156,000</b> |
| Four (4) unit multifamily dwelling . . . . .  | <del>\$96,000</del> <b>\$199,680</b> |

Page 40, line 1, strike "more than five percent (5%)".

Page 40, line 3, delete "." and insert "**by more than the quotient determined under IC 6-1.1-18.5-2(b) STEP THREE expressed as a percentage.**".

Page 40, line 5, after "6-1.1-1-21" delete "," and insert ".".

Page 40, line 5, strike "except that the term does not include a school".

Page 40, line 6, strike "corporation."



Page 55, between lines 3 and 4, begin a new paragraph and insert:  
 "SECTION 45. IC 6-1.1-20-3.1, AS AMENDED BY P.L.178-2002, SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 3.1. **(a) This section applies only to a controlled project for which proper officers of the political subdivision make a preliminary determination to issue bonds or enter into a lease before January 1, 2004.**

**(b)** A political subdivision may not impose property taxes to pay debt service or lease rentals without completing the following procedures:

(1) The proper officers of a political subdivision shall:

(A) publish notice in accordance with IC 5-3-1; and

(B) send notice by first class mail to any organization that delivers to the officers, before January 1 of that year, an annual written request for such notices;

of any meeting to consider adoption of a resolution or an ordinance making a preliminary determination to issue bonds or enter into a lease and shall conduct a public hearing on a preliminary determination before adoption of the resolution or ordinance.

(2) When the proper officers of a political subdivision make a preliminary determination to issue bonds or enter into a lease, the officers shall give notice of the preliminary determination by:

(A) publication in accordance with IC 5-3-1; and

(B) first class mail to the organizations described in subdivision (1)(B).

(3) A notice under subdivision (2) of the preliminary determination of the political subdivision to issue bonds or enter into a lease must include the following information:

(A) The maximum term of the bonds or lease.

(B) The maximum principal amount of the bonds or the maximum lease rental for the lease.

(C) The estimated interest rates that will be paid and the total interest costs associated with the bonds or lease.

(D) The purpose of the bonds or lease.

(E) A statement that any owners of real property within the political subdivision who want to initiate a petition and remonstrance process against the proposed debt service or lease payments must file a petition that complies with subdivisions (4) and (5) not later than thirty (30) days after publication in accordance with IC 5-3-1.

(F) With respect to bonds issued or a lease entered into to open:

(i) a new school facility; or

(ii) an existing facility that has not been used for at least three (3) years and that is being reopened to provide additional classroom space;

the estimated costs the school corporation expects to incur annually to operate the facility.

(G) A statement of whether the school corporation expects to appeal as described in IC 6-1.1-19-4.4(a)(4) for an increased adjusted base levy to pay the estimated costs described in clause (F).

(4) After notice is given, a petition requesting the application of a petition and remonstrance process may be filed by the lesser of:

(A) two hundred fifty (250) owners of real property within the political subdivision; or

(B) ten percent (10%) of the owners of real property within the political subdivision.

(5) Each petition must be verified under oath by at least one (1) qualified petitioner in a manner prescribed by the state board of accounts before the petition is filed with the county auditor under subdivision (6).

(6) Each petition must be filed with the county auditor not more than thirty (30) days after publication under subdivision (2) of the notice of the preliminary determination.

(7) The county auditor must file a certificate and each petition with:

(A) the township trustee, if the political subdivision is a township, who shall present the petition or petitions to the

township board; or

(B) the body that has the authority to authorize the issuance of the bonds or the execution of a lease, if the political subdivision is not a township;

within fifteen (15) business days of the filing of the petition requesting a petition and remonstrance process. The certificate must state the number of petitioners that are owners of real property within the political subdivision.

**(c)** If a sufficient petition requesting a petition and remonstrance process is not filed by owners of real property as set forth in this section, the political subdivision may issue bonds or enter into a lease by following the provisions of law relating to the bonds to be issued or lease to be entered into.

SECTION 46. IC 6-1.1-20-3.2, AS AMENDED BY P.L.178-2002, SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 3.2. **(a) This section applies only to a controlled project for which proper officers of the political subdivision make a preliminary determination to issue bonds or enter into a lease before January 1, 2004.**

**(b)** If a sufficient petition requesting the application of a petition and remonstrance process has been filed as set forth in section 3.1 of this chapter, a political subdivision may not impose property taxes to pay debt service or lease rentals without completing the following procedures:

(1) The proper officers of the political subdivision shall give notice of the applicability of the petition and remonstrance process by:

(A) publication in accordance with IC 5-3-1; and

(B) first class mail to the organizations described in section ~~3-1(1)(B)~~ **3.1(b)(1)(B)** of this chapter.

A notice under this subdivision must include a statement that any owners of real property within the political subdivision who want to petition in favor of or remonstrate against the proposed debt service or lease payments must file petitions and remonstrances in compliance with subdivisions (2) through (4) not earlier than thirty (30) days or later than sixty (60) days after publication in accordance with IC 5-3-1.

(2) Not earlier than thirty (30) days or later than sixty (60) days after the notice under subdivision (1) is given:

(A) petitions (described in subdivision (3)) in favor of the bonds or lease; and

(B) remonstrances (described in subdivision (3)) against the bonds or lease;

may be filed by an owner or owners of real property within the political subdivision. Each signature on a petition must be dated and the date of signature may not be before the date on which the petition and remonstrance forms may be issued under subdivision (3). A petition described in clause (A) or a remonstrance described in clause (B) must be verified in compliance with subdivision (4) before the petition or remonstrance is filed with the county auditor under subdivision (4).

(3) The state board of accounts shall design and, upon request by the county auditor, deliver to the county auditor or the county auditor's designated printer the petition and remonstrance forms to be used solely in the petition and remonstrance process described in this section. The county auditor shall issue to an owner or owners of real property within the political subdivision the number of petition or remonstrance forms requested by the owner or owners. Each form must be accompanied by instructions detailing the requirements that:

(A) the carrier and signers must be owners of real property;

(B) the carrier must be a signatory on at least one (1) petition;

(C) after the signatures have been collected, the carrier must swear or affirm before a notary public that the carrier witnessed each signature; and

(D) govern the closing date for the petition and remonstrance period.

Persons requesting forms may not be required to identify themselves and may be allowed to pick up additional copies to distribute to other property owners. The county auditor may not issue a petition or remonstrance form earlier than twenty-nine



(29) days after the notice is given under subdivision (1). The county auditor shall certify the date of issuance on each petition or remonstrance form that is distributed under this subdivision.

(4) The petitions and remonstrances must be verified in the manner prescribed by the state board of accounts and filed with the county auditor within the sixty (60) day period described in subdivision (2) in the manner set forth in section 3.1 of this chapter relating to requests for a petition and remonstrance process.

(5) The county auditor must file a certificate and the petition or remonstrance with the body of the political subdivision charged with issuing bonds or entering into leases within fifteen (15) business days of the filing of a petition or remonstrance under subdivision (4), whichever applies, containing ten thousand (10,000) signatures or less. The county auditor may take an additional five (5) days to review and certify the petition or remonstrance for each additional five thousand (5,000) signatures up to a maximum of sixty (60) days. The certificate must state the number of petitioners and remonstrators that are owners of real property within the political subdivision.

(6) If a greater number of owners of real property within the political subdivision sign a remonstrance than the number that signed a petition, the bonds petitioned for may not be issued or the lease petitioned for may not be entered into. The proper officers of the political subdivision may not make a preliminary determination to issue bonds or enter into a lease for the controlled project defeated by the petition and remonstrance process under this section or any other controlled project that is not substantially different within one (1) year after the date of the county auditor's certificate under subdivision (5). Withdrawal of a petition carries the same consequences as a defeat of the petition.

(7) After a political subdivision has gone through the petition and remonstrance process set forth in this section, the political subdivision is not required to follow any other remonstrance or objection procedures under any other law (including section 5 of this chapter) relating to bonds or leases designed to protect owners of real property within the political subdivision from the imposition of property taxes to pay debt service or lease rentals. However, the political subdivision must still receive the approval of the department of local government finance required by IC 6-1.1-18.5-8 or IC 6-1.1-19-8.

SECTION 47. IC 6-1.1-20-3.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: **Sec. 3.5. (a) This section applies only to a controlled project for which proper officers of the political subdivision make a preliminary determination to issue bonds or enter into a lease after December 31, 2003.**

**(b) A political subdivision may not impose property taxes to pay debt service or lease rentals without completing the following remonstrance procedures:**

- (1) The proper officers of a political subdivision shall:**
  - (A) publish notice in accordance with IC 5-3-1; and**
  - (B) send notice by first class mail to any organization that delivers to the officers, before January 1 of that year, an annual written request for such notices;****of any meeting to consider adoption of an ordinance or a resolution making a preliminary determination to issue bonds or enter into a lease and shall conduct a public hearing on a preliminary determination before adoption of the ordinance or resolution.**
- (2) When the proper officers of a political subdivision make a preliminary determination to issue bonds or enter into a lease, the officers shall give notice of the preliminary determination by:**
  - (A) publication in accordance with IC 5-3-1; and**
  - (B) first class mail to the organizations described in subdivision (1)(B).**
- (3) A notice under subdivision (2) of the preliminary determination of the political subdivision to issue bonds or enter into a lease must include the following information:**
  - (A) The maximum term of the bonds or lease.**
  - (B) The maximum principal amount of the bonds or the**

**maximum lease rental for the lease.**

**(C) The estimated interest rates that will be paid and the total interest costs associated with the bonds or lease.**

**(D) The purpose of the bonds or lease.**

**(E) A statement that the proposed debt service or lease payments must be approved in a local public question held under section 3.6 of this chapter.**

**(F) With respect to bonds issued or a lease entered into to open:**

**(i) a new school facility; or**

**(ii) an existing facility that has not been used for at least three (3) years and that is being reopened to provide additional classroom space;**

**the estimated costs the school corporation expects to incur annually to operate the facility.**

**(G) A statement of whether the school corporation expects to appeal as described in IC 6-1.1-19-4.4(a)(4) for an increased adjusted base levy to pay the estimated costs described in clause (F).**

SECTION 48. IC 6-1.1-20-3.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: **Sec. 3.6. (a) This section applies only to a controlled project for which proper officers of the political subdivision make a preliminary determination to issue bonds or enter into a lease after December 31, 2003.**

**(b) A political subdivision may not impose property taxes to pay debt service or lease rentals unless the political subdivision's proposed debt service or lease rental is approved in a local public question held under the remonstrance procedures in this section.**

**(c) The following question shall be submitted to the voters at the election conducted under this section:**

**"Shall \_\_\_\_\_ (insert the name of the political subdivision) issue bonds or enter a lease to finance \_\_\_\_\_ (insert the name of the controlled project)?"**

**(d) The county auditor shall certify the public question described in subsection (c) under IC 3-10-9-3 to the county election board of the county that contains the greatest percentage of population of the political subdivision. The public question shall be placed on the ballot at the next primary or general election in which the all of the voters of the political subdivision are entitled to vote after the question is certified.**

**(e) The circuit court clerk shall certify the results of the public question to the following:**

**(1) The county auditor of each county in which the political subdivision is located.**

**(2) The department of local government finance.**

**(f) If a majority of the voters voting on the public question vote in favor of the public question, the department of local government finance shall take prompt and appropriate steps to notify the political subdivision that the political subdivision is authorized to issue the proposed bonds or enter into the proposed lease rental.**

**(g) If a majority of the voters voting on the public question vote in opposition to the public question, both of the following apply:**

**(1) The political subdivision may not issue the proposed bonds or enter into the proposed lease rental.**

**(2) Another public question under this section may not be submitted to the voters sooner than one (1) year after the date of the election.**

**(h) IC 3, to the extent not inconsistent with this section, applies to an election held under this section.**

SECTION 49. IC 6-1.1-20-9, AS AMENDED BY P.L.90-2002, SECTION 196, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: **Sec. 9. (a) When the proper officers of a political subdivision decide to issue bonds payable from property taxes to finance a public improvement, they shall adopt an ordinance or resolution which sets forth their determination to issue the bonds. Except as provided in subsection (b), the political subdivision may not advertise for or receive bids for the construction of the improvement until the expiration of the latter of:**

**(1) the expiration of the time period within which taxpayers may file a petition for review of or a remonstrance the proposed issue in the case of a proposed issue that is subject to section**

**3.1 of this chapter;**

**(2) the proposed issue is approved in a local public question held under the remonstrance procedures in section 3.6 of this chapter in the case of a proposed issue that is subject to section 3.5 of this chapter; or**

~~(2)~~ **(3) the time period during which a petition for review of the proposed issue is pending before the department of local government finance.**

(b) When a petition for review of a proposed issue is pending before the department of local government finance, the department may order the political subdivision to advertise for and receive bids for the construction of the public improvement. When the department of local government finance issues such an order, the political subdivision shall file a bid report with the department within five (5) days after the bids are received, and the department shall render a final decision on the proposed issue within fifteen (15) days after it receives the bid report. Notwithstanding the provisions of this subsection, a political subdivision may not enter into a contract for the construction of a public improvement while a petition for review of the bond issue which is to finance the improvement is pending before the department of local government finance.

SECTION 51. IC 6-1.1-21-3, AS AMENDED BY P.L.192-2002(ss), SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) The department, with the assistance of the auditor of state and the department of local government finance, shall determine an amount equal to the eligible property tax replacement amount, which is the estimated property tax replacement.

(b) The department of local government finance shall certify to the department the amount of:

**(1) property tax deduction replacement credits provided under IC 6-1.1-21.9 that are allowed by the county for the particular calendar year; and**

**(2) homestead credits provided under IC 6-1.1-20.9 which are allowed by the county for the particular calendar year.**

(c) If there are one (1) or more taxing districts in the county that contain all or part of an economic development district that meets the requirements of section 5.5 of this chapter, the department of local government finance shall estimate an additional distribution for the county in the same report required under subsection (a). This additional distribution equals the sum of the amounts determined under the following STEPS for all taxing districts in the county that contain all or part of an economic development district:

STEP ONE: Estimate that part of the sum of the amounts under section 2(g)(1)(A) and 2(g)(2) of this chapter that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of the estimated property tax replacement amount attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; times

(B) the taxes levied in the taxing district that are allocated to a special fund under IC 6-1.1-39-5.

(d) The sum of the amounts determined under subsections (a) through (c) is the particular county's estimated distribution for the calendar year.

SECTION 52. IC 6-1.1-21-4, AS AMENDED BY P.L.245-2003, SECTION 19, AND AS AMENDED BY P.L.264-2003, SECTION 12, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) Each year the department shall allocate from the property tax replacement fund an amount equal to the sum of:

(1) each county's total eligible property tax replacement amount for that year; plus

(2) the total amount of homestead tax credits that are provided under IC 6-1.1-20.9 and allowed by each county for that year; plus

(3) an amount for each county that has one (1) or more taxing districts that contain all or part of an economic development district that meets the requirements of section 5.5 of this chapter. This amount is the sum of the amounts determined under the following STEPS for all taxing districts in the county

that contain all or part of an economic development district:

STEP ONE: Determine that part of the sum of the amounts under section 2(g)(1)(A) and 2(g)(2) of this chapter that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of the subdivision (1) amount that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; times

(B) the taxes levied in the taxing district that are allocated to a special fund under IC 6-1.1-39-5; **plus**

**(4) the total amount of property tax deduction replacement credits that are provided under IC 6-1.1-21.9 and allowed by each county for that year.**

(b) Except as provided in subsection (e), between March 1 and August 31 of each year, the department shall distribute to each county treasurer from the property tax replacement fund one-half (1/2) of the estimated distribution for that year for the county. Between September 1 and December 15 of that year, the department shall distribute to each county treasurer from the property tax replacement fund the remaining one-half (1/2) of each estimated distribution for that year. The amount of the distribution for each of these periods shall be according to a schedule determined by the property tax replacement fund board under section 10 of this chapter. The estimated distribution for each county may be adjusted from time to time by the department to reflect any changes in the total county tax levy upon which the estimated distribution is based.

(c) On or before December 31 of each year or as soon thereafter as possible, the department shall make a final determination of the amount which should be distributed from the property tax replacement fund to each county for that calendar year. This determination shall be known as the final determination of distribution. The department shall distribute to the county treasurer or receive back from the county treasurer any deficit or excess, as the case may be, between the sum of the distributions made for that calendar year based on the estimated distribution and the final determination of distribution. The final determination of distribution shall be based on the auditor's abstract filed with the auditor of state, adjusted for postabstract adjustments included in the December settlement sheet for the year, and such additional information as the department may require.

(d) All distributions provided for in this section shall be made on warrants issued by the auditor of state drawn on the treasurer of state. If the amounts allocated by the department from the property tax replacement fund exceed in the aggregate the balance of money in the fund, then the amount of the deficiency shall be transferred from the state general fund to the property tax replacement fund, and the auditor of state shall issue a warrant to the treasurer of state ordering the payment of that amount. However, any amount transferred under this section from the general fund to the property tax replacement fund shall, as soon as funds are available in the property tax replacement fund, be retransferred from the property tax replacement fund to the state general fund, and the auditor of state shall issue a warrant to the treasurer of state ordering the replacement of that amount.

(e) Except as provided in subsection (I), the department shall not distribute under subsection (b) and section 10 of this chapter the money attributable to the county's property reassessment fund if:

(1) by the date the distribution is scheduled to be made, ~~(f)~~ the county auditor has not sent a certified statement required to be sent by that date under IC 6-1.1-17-1 to the department of local government finance; ~~or~~

(2) by the deadline under IC 36-2-9-20, the county auditor has not transmitted data as required under that section; ~~or~~

~~(2)~~ **(3) the county assessor has not forwarded to the department of local government finance the duplicate copies of all approved exemption applications required to be forwarded by that date under IC 6-1.1-11-8(a).**

(f) Except as provided in subsection (I), if the elected township assessors in the county, the elected township assessors and the county assessor, or the county assessor has not transmitted to the department of local government finance by October 1 of the year in which the

distribution is scheduled to be made the data for all townships in the county required to be transmitted under IC 6-1.1-4-25(b), the state board or the department shall not distribute under subsection (b) and section 10 of this chapter a part of the money attributable to the county's property reassessment fund. The portion not distributed is the amount that bears the same proportion to the total potential distribution as the number of townships in the county for which data was not transmitted by ~~August~~ *October 1* as described in this section bears to the total number of townships in the county.

(g) Money not distributed ~~under subsection (e)~~ *for the reasons stated in subsection (e)(1) and (e)(2)* shall be distributed to the county when:

(1) the county auditor sends to the department of local government finance the certified statement required to be sent under IC 6-1.1-17-1; and

(2) *the county assessor forwards to the department of local government finance the approved exemption applications required to be forwarded under IC 6-1.1-11-8(a);*

with respect to which the failure to send *or forward* resulted in the withholding of the distribution under subsection (e).

(h) Money not distributed under subsection (f) shall be distributed to the county when the elected township assessors in the county, the elected township assessors and the county assessor, or the county assessor transmits to the department of local government finance the data required to be transmitted under IC 6-1.1-4-25(b) with respect to which the failure to transmit resulted in the withholding of the distribution under subsection (f).

(I) The restrictions on distributions under subsections (e) and (f) do not apply if the department of local government finance determines that:

(1) the failure of:

(A) a county auditor to send a certified statement; or

(B) a county assessor to forward copies of all approved exemption applications;

as described in subsection (e); or

(2) the failure of an official to transmit data as described in subsection (f);

is justified by unusual circumstances.

SECTION 53. IC 6-1.1-21.9 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

#### **Chapter 21.9. Property Tax Deduction Replacement Credits**

**Sec. 1.** This chapter applies to the following:

(1) A property tax deduction increment.

(2) A qualified property tax deduction.

**Sec. 2.** The definitions set forth in IC 6-1.1-21 apply throughout this chapter.

**Sec. 3.** As used in this chapter, "county property tax deduction replacement amount" means the sum of a particular county's taxpayer property tax deduction replacement credits.

**Sec. 4.(a)** This section applies only to a property tax deduction available under this article that is:

(1) in effect on November 1, 2003; and

(2) increased in value by the general assembly after November 18, 2003, and before March 14, 2004.

(b) As used in this chapter, "property tax deduction increment" means"

(1) the value of a property tax deduction available under this article (as in effect after October 31, 2003); minus

(2) the value of the property tax deduction described in subdivision (1) before November 1, 2003.

**Sec. 5.** As used in this chapter, "qualified property tax deduction" means a property tax deduction enacted by the general assembly after November 1, 2003, and before March 14, 2004.

**Sec. 6.** As used in this chapter, "taxpayer's property tax deduction replacement credit" means the amount determined in the last of the following STEPS:

**STEP ONE:** Determine the sum of a particular taxpayer's property tax deduction increments.

**STEP TWO:** Determine the sum of the taxpayer's qualified property tax deductions.

**STEP THREE:** Determine the sum of the STEP ONE and

**STEP TWO results.**

**STEP FOUR:** Multiply the STEP THREE result by the total net tax rate applicable in the taxpayer's taxing district.

**Sec. 7. (a)** The department, with the assistance of the auditor of state and the department of local government finance, shall determine for each county an amount equal to the county property tax deduction replacement amount.

**Sec. 8.** For purposes of calculating tax rates, the county auditor shall add the sum of each county taxpayer's:

(1) property tax deduction increments; and

(2) qualified property tax deductions;

to the county's net assessed value.

**Sec. 9.** For purposes of calculating a particular taxpayer's tax bill, the county treasurer shall add the sum of the taxpayer's:

(1) property tax deduction increments; and

(2) qualified property tax deductions;

to the taxpayer's net assessed value.

**Sec. 10. (a)** Each year the taxpayers of each county shall receive a credit for property tax deduction replacement in the amount of each taxpayer's property tax deduction replacement credit amount for taxes which under IC 6-1.1-22-9 are due and payable in May and November of that year. The credit shall be applied to each installment of taxes. The dollar amount of the credit for each taxpayer shall be determined by the county auditor, based on data furnished by the department of local government finance."

Page 58, between lines 15 and 16, begin a new paragraph and insert:

"(e) If the county treasurer transmits a statement of current and delinquent taxes and special assessments to a mortgagee under subsection (a)(2) for taxes first due and payable after December 31, 2004, the county treasurer shall mail the following information to the last known address of each person liable for the property taxes or special assessments or to the last known address of the most recent owner shown in the transfer book:

(1) A breakdown showing the total property tax and special assessment liability and the percentage of the taxpayer's liability that will be distributed to each taxing unit in the county.

(2) A comparison showing any change in the assessed valuation for the property as compared to the previous year.

(3) A comparison showing any change in the property tax and special assessment liability for the property as compared to the previous year. The information required under this subdivision must identify the change in the amount of property taxes and special assessments imposed by each taxing unit in which the property is located.

(4) An explanation of the following:

(A) The homestead credit and all property tax deductions.

(B) The procedure and deadline for filing for the homestead credit and each deduction.

(C) The procedure that a taxpayer must follow to:

(i) appeal a current assessment; or

(ii) petition for the correction of an error related to the taxpayer's property tax and special assessment liability.

(D) The forms that must be filed in an appeal or petition described in clause (C).

The department of local government finance shall provide the explanation required by this subdivision to each county treasurer.

The information required under this subsection must be simply and clearly presented and understandable to the average individual.

(f) The county treasurer of a county that incurs computer programming or printing costs directly related to mailing information under subsection (e) shall submit an itemized statement of the costs to the department of local government finance for reimbursement from the state. A claim submitted under this section shall be paid by the treasurer of state on warrant of the auditor of state."

Page 76, between lines 32 and 33, begin a new paragraph and

insert:

"SECTION 61. IC 6-3-1-3.5, AS AMENDED BY P.L.105-2003, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3.5. When used in this article, the term "adjusted gross income" shall mean the following:

(a) In the case of all individuals, "adjusted gross income" (as defined in Section 62 of the Internal Revenue Code), modified as follows:

- (1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.
- (2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 62 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.
- (3) Subtract one thousand dollars (\$1,000), or in the case of a joint return filed by a husband and wife, subtract for each spouse one thousand dollars (\$1,000).
- (4) Subtract one thousand dollars (\$1,000) for:
  - (A) each of the exemptions provided by Section 151(c) of the Internal Revenue Code;
  - (B) each additional amount allowable under Section 63(f) of the Internal Revenue Code; and
  - (C) the spouse of the taxpayer if a separate return is made by the taxpayer and if the spouse, for the calendar year in which the taxable year of the taxpayer begins, has no gross income and is not the dependent of another taxpayer.
- (5) Subtract:
  - (A) one thousand five hundred dollars (\$1,500) for each of the exemptions allowed under Section 151(c)(1)(B) of the Internal Revenue Code for taxable years beginning after December 31, 1996; and
  - (B) five hundred dollars (\$500) for each additional amount allowable under Section 63(f)(1) of the Internal Revenue Code if the adjusted gross income of the taxpayer, or the taxpayer and the taxpayer's spouse in the case of a joint return, is less than forty thousand dollars (\$40,000).

This amount is in addition to the amount subtracted under subdivision (4).
- (6) Subtract an amount equal to the lesser of:
  - (A) that part of the individual's adjusted gross income (as defined in Section 62 of the Internal Revenue Code) for that taxable year that is subject to a tax that is imposed by a political subdivision of another state and that is imposed on or measured by income; or
  - (B) two thousand dollars (\$2,000).
- (7) Add an amount equal to the total capital gain portion of a lump sum distribution (as defined in Section 402(e)(4)(D) of the Internal Revenue Code) if the lump sum distribution is received by the individual during the taxable year and if the capital gain portion of the distribution is taxed in the manner provided in Section 402 of the Internal Revenue Code.
- (8) Subtract any amounts included in federal adjusted gross income under Section 111 of the Internal Revenue Code as a recovery of items previously deducted as an itemized deduction from adjusted gross income.
- (9) Subtract any amounts included in federal adjusted gross income under the Internal Revenue Code which amounts were received by the individual as supplemental railroad retirement annuities under 45 U.S.C. 231 and which are not deductible under subdivision (1).
- (10) Add an amount equal to the deduction allowed under Section 221 of the Internal Revenue Code for married couples filing joint returns if the taxable year began before January 1, 1987.
- (11) Add an amount equal to the interest excluded from federal gross income by the individual for the taxable year under Section 128 of the Internal Revenue Code if the taxable year began before January 1, 1985.
- (12) Subtract an amount equal to the amount of federal Social Security and Railroad Retirement benefits included in a taxpayer's federal gross income by Section 86 of the Internal Revenue Code.
- (13) In the case of a nonresident taxpayer or a resident taxpayer

residing in Indiana for a period of less than the taxpayer's entire taxable year, the total amount of the deductions allowed pursuant to subdivisions (3), (4), (5), and (6) shall be reduced to an amount which bears the same ratio to the total as the taxpayer's income taxable in Indiana bears to the taxpayer's total income.

(14) In the case of an individual who is a recipient of assistance under IC 12-10-6-1, ~~IC 12-10-6-2~~, **IC 12-10-6-2.1**, IC 12-15-2-2, or IC 12-15-7, subtract an amount equal to that portion of the individual's adjusted gross income with respect to which the individual is not allowed under federal law to retain an amount to pay state and local income taxes.

(15) In the case of an eligible individual, subtract the amount of a Holocaust victim's settlement payment included in the individual's federal adjusted gross income.

(16) For taxable years beginning after December 31, 1999, subtract an amount equal to the portion of any premiums paid during the taxable year by the taxpayer for a qualified long term care policy (as defined in IC 12-15-39.6-5) for the taxpayer or the taxpayer's spouse, or both.

(17) Subtract an amount equal to the lesser of:

(A) **for a taxable year:**

**(i) including any part of 2004, the amount determined under subsection (f); and**

**(ii) beginning after December 31, 2004, two thousand five hundred dollars (\$2,500); or**

(B) the amount of property taxes that are paid during the taxable year in Indiana by the individual on the individual's principal place of residence.

(18) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the individual's federal adjusted gross income.

(19) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k)(2)(C)(iii) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(b) In the case of corporations, the same as "taxable income" (as defined in Section 63 of the Internal Revenue Code) adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 170 of the Internal Revenue Code.

(3) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 63 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.

(4) Subtract an amount equal to the amount included in the corporation's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k)(2)(C)(iii) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(c) In the case of life insurance companies (as defined in Section 816(a) of the Internal Revenue Code) that are organized under Indiana law, the same as "life insurance company taxable income" (as defined in Section 801 of the Internal Revenue Code), adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction allowed or allowable under Section 170 of the Internal Revenue Code.

(3) Add an amount equal to a deduction allowed or allowable

under Section 805 or Section 831(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state.

(4) Subtract an amount equal to the amount included in the company's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k)(2)(C)(iii) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(d) In the case of insurance companies subject to tax under Section 831 of the Internal Revenue Code and organized under Indiana law, the same as "taxable income" (as defined in Section 832 of the Internal Revenue Code), adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction allowed or allowable under Section 170 of the Internal Revenue Code.

(3) Add an amount equal to a deduction allowed or allowable under Section 805 or Section 831(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state.

(4) Subtract an amount equal to the amount included in the company's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k)(2)(C)(iii) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(e) In the case of trusts and estates, "taxable income" (as defined for trusts and estates in Section 641(b) of the Internal Revenue Code) adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the federal adjusted gross income of the estate of a victim of the September 11 terrorist attack or a trust to the extent the trust benefits a victim of the September 11 terrorist attack.

(3) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k)(2)(C)(iii) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

**(f) This subsection applies only to the extent that an individual paid property taxes in 2004 that were imposed for the March 1, 2002, assessment date or the January 15, 2003, assessment date. The maximum amount of the deduction under subsection (a)(17) is equal to the amount determined under STEP FIVE of the following formula:**

**STEP ONE: Determine the amount of property taxes that the taxpayer paid after December 31, 2003, for property taxes imposed for the March 1, 2002, assessment date and the January 15, 2003, assessment date.**

**STEP TWO: Determine the amount of property taxes that the taxpayer paid for the March 1, 2003, assessment date and the January 15, 2004, assessment date.**

**STEP THREE: Determine the result of the STEP ONE amount divided by the STEP TWO amount.**

**STEP FOUR: Multiply the STEP THREE amount by two thousand five hundred dollars (\$2,500).**

**STEP FIVE: Determine the sum of the STEP THREE amount and two thousand five hundred dollars (\$2,500)."**

Page 111, between lines 6 and 7, begin a new paragraph and insert:

"SECTION 91. [EFFECTIVE UPON PASSAGE] **IC 6-1.1-22-8(e), as added by this act, applies to statements prepared and mailed for property taxes and special assessments first due and payable after December 31, 2004.**

SECTION 92. [EFFECTIVE UPON PASSAGE] **(a) IC 6-1.1-12-9, IC 6-1.1-12-11, IC 6-1.1-12-13, IC 6-1.1-12-14, IC 6-1.1-12-16, IC 6-1.1-12-17.4, IC 6-1.1-12-18, IC 6-1.1-12-22, IC 6-1.1-12.1-4.1, IC 6-1.1-21-3, and IC 6-1.1-21-4, all as amended by this act, apply only to property taxes first due and payable after December 31, 2003.**

**(b) IC 6-1.1-21.9, as added by this act, applies only to property taxes first due and payable after December 31, 2003."**

Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed November 18, 2003.)

ESPICH

Upon request of Representatives Espich and Bosma, the Speaker ordered the roll of the House to be called. Roll Call 3: yeas 46, nays 52. Motion failed.

#### HOUSE MOTION (Amendment 1001-11)

Mr. Speaker: I move that House Bill 1001 be amended to read as follows:

Page 106, between lines 15 and 16, begin a new paragraph and insert: "SECTION 79. [EFFECTIVE UPON PASSAGE] **The form prescribed by the department of local government finance under SECTION 78 of this act shall include an explanation that the General Assembly denied Indiana homeowners two hundred eighty million dollars (\$280,000,000) of property tax relief due to its failure to act to preserve the full value of the homestead credit as it had been computed prior to January 1, 2003."**

Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed November 18, 2003.)

TURNER

Upon request of Representatives Turner and Friend, the Speaker ordered the roll of the House to be called. Roll Call 4: yeas 47, nays 50. Motion failed.

#### HOUSE MOTION (Amendment 1001-6)

Mr. Speaker: I move that House Bill 1001 be amended to read as follows:

Page 112, after line 3, begin a new paragraph and insert: "SECTION 95. [EFFECTIVE UPON PASSAGE] **The Speaker of the Indiana House of Representatives shall work for two (2) weeks, or the equivalent of seventy-five (75) hours, as an employee of a county Auditor's office prior to the end of the 2003 calendar year.**

(Reference is to HB 1001 as introduced.)

SCHOLER

Representative Kromkowski rose to a point of order, citing Rule 80, stating that the motion was not germane to the bill. The Speaker ruled the point was well taken and the motion was out of order.

There being no further amendments, the bill was ordered engrossed.

#### OTHER BUSINESS ON THE SPEAKER'S TABLE

On the motion of Representative Avery, the House adjourned at 1:15 p.m., this twentieth day of November, 2003, until Friday, November 21, 2003, at 10:00 a.m.

B. PATRICK BAUER  
Speaker of the House of Representatives

DIANE MASARIU CARTER  
Principal Clerk of the House of Representatives